



**TESTIMONY OF BART RUSSELL
CONNECTICUT COUNCIL OF SMALL TOWNS (COST)
BEFORE THE
FINANCE COMMITTEE
FEBRUARY 23, 2009**

**SB-836, AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS
FOR CAPITAL IMPROVEMENTS.**

Small Town Economic Assistance Program

The Connecticut Council of Small Towns (COST) is very concerned that SB-836 eliminates funding for the Small Town Economic Assistance Program (STEAP), which has been successful in assisting Connecticut's small towns in meeting their economic development needs. This is particularly puzzling since economic stimulus is considered a key component of federal, state and local efforts to spur economic recovery and additional funds are targeted to economic development for the state's cities. The proposed elimination of STEAP seems especially unfair to small towns in light of the fact that the Governor proposes to continue millions in funding for the Urban Act Grant Program, which targets big city needs.

Recognizing that Connecticut's suburban and rural towns – communities under 30,000 in population – play a vital role in the state's economic, social and cultural wellbeing, STEAP was established by the legislature in 2002. Since its creation, STEAP has provided small towns with \$20 million annually in critically needed assistance with which to undertake important economic development projects – projects that improve both their economic development infrastructure and quality of life. To protect and nurture the growth of Connecticut's economy, small town revitalization must continue to be a critical element of the state's public policy agenda.

Examples of projects funded with the assistance of STEAP grants include:

- Somers - Revitalization of Mill Village in the Town of Somers – STEAP funding provided initial leverage needed to bring more substantial private and public investment commitments to bear.
- South Windsor - I-291 Corridor District Municipal Development Project.
- Coventry - Critical public safety improvements.
- Oxford - Developed the Oxford Economic Development Corporation business incubator building space.
- Windsor - A site remediation project.

All of these projects have been of tremendous benefit to the towns and their regions as well as the state as a whole. Projects eligible for STEAP funds include: 1) economic development projects; 2) Transit; 3) Recreation and solid waste disposal projects; 4) social service-related projects, such as day care centers; 5) Housing projects; and 6) Pilot historic preservation and redevelopment programs that leverage private funds. Prior to the establishment of STEAP, small towns had access to very few resources with which to undertake important infrastructure improvements and economic development projects. These projects help spur economic development throughout the entire state. STEAP clearly fills an important funding void.

We urge lawmakers to restore funding for the STEAP program, which is critical to efforts to maximize federal economic stimulus funds.

School Construction Reimbursement Rate

COST also opposes reductions in the school construction reimbursement rate. Given the current stress on local budgets, reducing the reimbursement rate makes it difficult for towns to provide adequate educational facilities for students and make needed improvements to comply with building code updates and energy efficiency needs, etc.

Clean Water Fund

COST continues to support efforts to assist towns in fulfilling their obligation to make needed improvements to sewers and other clean water projects. Numerous municipalities with documented environmental and public health problems have proactively planned and designed wastewater facilities to meet these needs. Treatment plant upgrades, including the State-mandated nitrogen removal program, elimination of combined sewer overflows, and replacement of aging infrastructure are all eligible for the Clean Water Fund. These projects represent significant capital expenditures, and the DEP grants and loans are critical to municipal government's (and the public's) ability to fund these improvements.